

OPPOSE

March 10, 2009

***STATE RETIREMENT SYSTEMS
STAFF REPORT ON LEGISLATION AFFECTING
THE STATE EMPLOYEES' RETIREMENT SYSTEM***

96th General Assembly

HOUSE BILL 4014 – Representative Brauer

PROPOSAL

House Bill 4014 amends the State Employees' Article of the Pension Code to allow any person who rendered contractual services on a full-time basis to the Illinois Institute of Natural Resources and the Illinois Department of Energy and Natural Resources to establish service credit for up to 4 years of those contractual services.

COMMENT

House Bill 4014 allows a person who rendered contractual services on a full-time basis to the Illinois Institute of Natural Resources and the Illinois Department of Energy and Natural Resources to establish service credit for up to 4 years of those contractual services. The bill requires the person apply to SERS to establish the service credit by December 31, 2009 and to make the employee contribution only, plus interest at 6.5% annually.

RECOMMENDATION

As the bill allows a person (rather than a contributing member of SERS) to establish optional service credit for certain contractual service, it is the recommendation of staff that we oppose House Bill 4014. In addition, the bill only requires the person to make the employee contribution only, plus interest at 6.5% annually.